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ABSTRACT

Data that is needed on student financial aid applicants are discussed in hearings held as part of fact finding prior to reauthorization of the Higher Education Act. Topics include: types of students who apply for student financial assistance, the income levels of their families, the types of institutions they choose, and the degree to which the choices they make are attributable to sex or race differences. Testimonies are offered by two witnesses representing the American College Testing (ACT) Service and the New York State Educational Services. Statistics taken primarily from ACT's profile of financial applicants for 1983-1984 funds are quoted. It is noted that 58 percent of the dependent-student applicants have financial need averaging about $3,200 each, and 31 percent are independent students under the current federal definition. Information is included on the student study population's marital status, average income, average age, family size, and parent financial contribution. A New York State survey of student perceptions of how they financed their education is also considered. It is noted that over 55 percent of the 8,700 students are highly dependent on financial aid. Differences in utilization rates and patterns by level of study, sector, and income are also discussed. (SW)

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PROFILE OF FINANCIAL AID APPLICANTS

ED246756

HEARING

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, D.C., ON
OCTOBER 20, 1983

Printed for the use of the Committee on Education and Labor

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CONTENTS

	Page
Hearing held in Washington, D.C. on October 20, 1983	1
Statement of:	
Cobral, Dr. Dennis, vice president, New York State Educational Services	8
Heffron, Mark, vice president, American College Testing Service	3
Prepared statements, letters, supplemental materials, etc.:	
Cobral, Dr. Dennis, vice president, New York State Higher Education Services Corp., prepared statement of	6
Heffron, Mark, American College Testing Program, prepared statement of	2
Simon, Hon. Paul, a Representative in Congress from the State of Illinois and chairman, Subcommittee on Postsecondary Education, opening statement of	1

PROFILE OF FINANCIAL AID APPLICANTS

THURSDAY, OCTOBER 20, 1983

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:15 a.m., in room 2257, Rayburn House Office Building, Hon. Paul Simon (chairman of the subcommittee) presiding.

Members present: Representatives Simon, Kogovsek, Owens, Penny, Gunderson, and Petri.

Staff present: William A. Blakey, staff director; Maryln McAdam, legislative assistant; and Betsy Brand, Republican legislative associate.

Mr. SIMON. Good morning. First of all, my apologies to everyone. I'm pleased to be here. We're continuing hearings on the question of where we go in trying to establish some of the basic data to make solid decisions on where we go in higher education, and we're pleased to continue that study.

[Opening statement of Chairman Simon follows:]

OPENING STATEMENT OF HON. PAUL SIMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS AND CHAIRMAN, SUBCOMMITTEE ON POSTSECONDARY EDUCATION

Good morning. Today the Subcommittee on Postsecondary Education continues its factfinding hearings prior to reauthorization of the Higher Education Act. The focus of this morning's testimony will be on the profiles of student financial aid applicants. Yesterday we heard from four witnesses about the rising costs of a college education and how students and their parents were meeting those costs. Today's witnesses will be discussing what types of students apply for student financial assistance, the income levels of their families, the types of institutions they choose to attend, and to what degree the choices they make are attributable to sex or race differences.

In approaching reauthorization it is necessary to have a concise knowledge of the types of students who rely on Federal aid for meeting college costs. If student aid programs are not sensitive to the needs of the students who seek assistance, they cannot be effective. Students from different backgrounds need different types of aid. While a middle-income student may well be able to handle the repayment of loans either during or after college, a low-income student may find it impossible to make steep monthly repayments. Similarly, students entering college with sound basic skills and good educational background may do well while working part time. But students who are trying to build basic skills at the same time they are attending college might find that even part-time work has a negative effect on academic endeavors.

Our witnesses today are mark Heffron, vice president for the American College Testing Service and Dr. Dennis Cobral, vice president for the New York State Educational Services. Both organizations have been collecting data of the types of students who attend college and will be sharing that information with us. We welcome you both.

Mr. SIMON. Our witnesses today are Mark Heffron, vice president of the American College Testing Service, and Dr. Dennis Cobral, vice president for the New York State Educational Services. I think we'll hear both witnesses at the same time. We'll hear both witnesses and then we'll toss questions at you. If the two of you can come to the witness table here. Again, my apologies for keeping you waiting.

Mr. Heffron. We'll start with you.

[Prepared statement of Mark Heffron follows:]

PREPARED STATEMENT OF MARK HEFFRON, AMERICAN COLLEGE TESTING PROGRAM

I appreciate the opportunity to testify before you today. My name is Mark Heffron and I am Assistant Vice President for Financial Aid Services for the American College Testing Program (ACT). ACT is a not-for-profit educational services corporation registered under the laws of the State of Iowa. The ACT national headquarters are located in Iowa City, Iowa. One of ACT's resident programs is the Student Need Analysis Service. This service is used by over 900,000 students each year to apply for student financial assistance from state scholarship and grant agencies, from postsecondary institutions, from private scholarship programs and the Pell Grant Program. Over 1.5 million need analysis reports are sent to 3,800 institutions and agencies each year on behalf of these students.

I have been asked to speak today regarding the profile of students applying for student aid. The statistics that I will be quoting are taken primarily from the ACT "Profile of Financial Aid Applicants" for 1983-84 funds. This profile is based upon a 10 percent random sample of students who have applied for financial assistance through ACT for the current 1983-84 academic year. I have provided copies of this report to the Subcommittee Staff. Act's primary financial aid service areas are in the midwestern, southeastern and southwestern states and a high percentage of our user institutions are public schools.

Of the students who applied for financial assistance through ACT, 96 percent were undergraduate students and 4 percent were graduate or professional students. Of the undergraduate students, 43 percent were entering their freshman year, 23 percent were sophomores, 18 percent juniors, and 14 percent were seniors or fifth year students.

Sixth-nine percent of the student applicants indicated that they were dependent students under the current federal definition of dependency. This represents two percent decrease in the number of dependent students as a percentage of the total applicant population from 1982-83.

The typical dependent student came from a family with an annual total parental income of $22,187, an increase of only $24 over the average for the previous year, and of $1,340 over the average for the 1981-82 academic year. The average net asset holdings of the parents of dependent applicants was $43,755, compared to $42,560 for 1982-83, and $40,331 for 1981-82. These assets are broken down roughly as follows. The average amount in cash, savings, and checking accounts is $2,760. Eighty-one percent of the families own or are purchasing a home with an average equity of $30,450. About 22 percent have other real estate or investments with an average equity of about $21,200. Nineteen percent of the families own a farm or business with a net equity of about $61,500.

The average dependent student's family contained 4.5 members with 1.6 family members planning to attend a postsecondary institution at least half time. The average age of the older parent was 48 years and 45 percent of the students came from families where both parent had incomes. About 25 percent of the students come from one-parent families; the remaining 75 percent indicated that their parents were currently married. The statistics of family size, number in postsecondary education, average age of parents, and percentage of one-parent families has remained fairly constant over a number of years. We have seen a slight decrease, about 2 percent in the percentage of families with two working parents over the past two years.

The average expected contribution from the parents of all dependent applicants was $1,664. For those which have financial need, the average was $864.

The typical dependent student was 19.3 years old had average savings and other assets of $386 and expected to earn about $550 during the summer of 1983. About 4 percent of dependent students reported receiving an average of $177 per month on Social Security benefits for 1983-84 versus 11 percent receiving an average of $199

per month in 1981-82. These averages are not directly comparable because the figures reported for 1983-84 include non-educational Social Security benefits whereas the 1981-82 figures include only educational benefits.

According to ACT's estimated Pell Grant Student Aid Index calculations, about 57 percent of the dependent student applicants would be eligible for a Pell Grant in 1983-84. This represents no change from 1982-83 but a decrease from a 63 percent eligibility rate in 1981-82.

To summarize the dependent student applicant population, we have a fairly stable population in terms of demographics over the past several years with a slight decrease in the number of households with two parents employed. Average family net asset holdings have increased in about the manner one might expect from normal inflation. Average family incomes, however, have not increased as rapidly as one might expect through normal wage inflation. According to the cost of attendance figures provided by the institutions which use ACT services, 58 percent of the dependent student applicants have financial need averaging about $3,200 each.

The remaining 31 percent of the students in our sample population indicated that they were independent students under the current federal definition. This is an increase from 29 percent in 1981-82. Of these students, 30 percent are currently married. The independent student's family contained an average of 2 members with 1.1 members planning to attend a post-secondary institution at least half time.

The average income estimated by independent students (and, if married, their spouses), is $4,947 for the period July 1, 1983 through June 30, 1984. These students also reported average net asset holdings of $2,900. Each of these averages is nearly identical to those of the previous year, 1982-83, and somewhat higher than the averages for 1981-82. The pattern of average estimated income change over the past two years is very much the same for independent students as it is for the parents of dependent students.

The average age of independent student applicants for 1983-84 is 26.2 years. This average appears to be increasing by one or two-tenths of a year each year. If one looks at age and family size distribution of undergraduate independent students by year in college, an interesting pattern is found. While one might expect the average age and family size of students to increase as they progress through school, the statistics show the exact opposite. The oldest undergraduate independent students are freshmen with an average age of 26.8 years and an average family size of 2.4 members. These averages decrease in each succeeding year with fourth and fifth year students reporting an average age of 25.1 years and an average family size of 1.7. This is not a new pattern but rather one that has been in place for several years. It indicates that some students are switching from dependent to independent status as they progress through undergraduate school and that those who are switching are younger and much more likely to be single than the typical independent student.

In terms of Pell Grant eligibility, about 80 percent of the independent student applicants appear to be eligible according to ACT's estimated Student Aid Index calculation. This is the same eligibility rate as was found in our sample population from 1982-83 and a 2 percent increase from 1981-82.

Based on the cost of attendance figures provided by institutions which use ACT's services, 55 percent of the independent student applicants demonstrated financial need averaging about $4,600.

This concludes my prepared testimony on student profile data. I would be happy to answer any questions you may have.

STATEMENT OF MARK HEFFRON, VICE PRESIDENT, AMERICAN COLLEGE TESTING SERVICE

Mr. HEFFRON. I appreciate the opportunity to testify before you today. My name is Mark Heffron. I am assistant vice president for financial aid services for the American College Testing program. ACT is a nonprofit educational services corporation with a national headquarters located in Iowa City, Iowa.

One of ACT's resident programs is the student need analysis service. This service is used by over 900,000 students each year to apply for student financial aid from State scholarship and grant agencies, from postsecondary institutions, including both private money and campus-based Federal money, from private scholarship programs and from the Pell grant program.

Over 1½ million need-analysis reports are sent to about 3,800 institutions each year on behalf of these students.

The statistics I will be quoting you today are taken primarily from ACT's profile of financial aid applicants for 1983-84 funds. The profile is based on a 10-percent random sample of students who have applied for financial assistance through ACT for the current academic vear. I have provided copies of this report to the subcommittee staff.

I should note that ACT's primary financial aid service areas are in the Midwestern, Southeastern, and Southwestern States, and that a high percentage of our user institutions are public schools.

Of the students who applied for financial aid through ACT, 96 percent were undergraduate students and 4 percent are graduate or professional students. Of the undergraduate students, 43 percent were entering their freshman year, 23 percent were sophomores, 18 percent were juniors, and 14 percent were seniors or fifth-year students.

Sixty-nine percent of the student applicants indicated that they were dependent students under the current Federal definition of dependency. This represents a 2-percent decrease in the number of dependent applicants as a percentage of the total population for 1982-83.

The typical dependent student came from a family with an annual total parental income of $22,187, an increase of only $24 over 1982-83, and of $1,340 over the average for the 1981-82 academic year. The average net asset holdings of the parents of dependant applicants was $43,755. These assets are broken down roughly as follows: The average amount in cash, savings, and checking accounts is $2,760. Eighty-one percent of the families own or are purchasing a home with an average equity of $30,450. About 22 percent of the families reported having other real estate or investments with an average equity of about $21,200. And 19 percent of the families own a farm or business with a net equity averaging about $61,500.

The average dependent student's family contained 4.5 members with 1.6 family members planning to attend a postsecondary institution at least half time. The average age of the older parent was 48 years. And about 45 percent of the students came from families where both parents had incomes.

About 25 percent of the students come from one-parent families. The remaining 75 percent indicated their parents are currently married. These statistics of family size, number in postsecondary education, average age of parents, and percentage of one-parent families have remained fairly constant over a number of years.

We have seen a slight decrease, about 2 percent, in the percentage of families with two working parents over the last 2 years.

The average expected parental contribution from the parents of all dependent applicants was $1,664. For those which have financial need, the average was $864. The typical dependent student was 19.3 years old, had average savings and other assets of $386, and was expected to earn about $550 during the summer of 1983.

About 4 percent of the dependent students reported receiving an average $177 per month in social security benefits for 1983-84 versus 11 percent of the students who reported receiving an aver-

age of $199 a month in 1981-82. I would point out that these averages are not directly comparable since the averages for 1983-84 include noneducational benefits, and the 1981-82 average include only the educational benefits.

According to ACT's estimated Pell grant student aid index calculation, about 57 percent of the dependent student applicants would be eligible for a Pell grant in 1983-84. This represents no change from 1982-83, but a decrease from a 63-percent eligibility rate in 1981-82.

To summarize the dependent student applicant population, we have a fairly stable population in terms of demographics over the past several years, with a slight decrease in the number of households with two parents employed. The average family net asset holdings have increased in about the manner one would expect through the normal asset inflation. Average family incomes, however, have not increased as rapidly as one might expect through normal wage inflation.

According to the cost of attendance figures provided by institutions which use ACT services, 58 percent of the dependent student applicants have financial need averaging about $3,200 each. Now, the remaining 31 percent of the students in our sample population indicated that they were independent students under the current Federal definition. This is an increase from 29 percent in 1981-82.

Of these students, 30 percent are currently married. The independent student's family contained an average of 2 members with 1.1 members planning to attend a postsecondary institution at least half time.

The average income estimated by independent students, and if they are married, their spouses, is $4,947 for the period July 1, 1983 through June 30, 1984. These students also reported an average net asset holding of $2,900.

Each of these averages is nearly identical to those of the previous year, 1982-83, and somewhat higher than the average for 1981-82. The average age of independent student applicants for 1983-84 is 26.2 years. This average appears to be increasing by one- or two-tenths of a year each year. If one looks at the age and family distribution of undergraduate independent students by year in college, an interesting pattern is found.

While one might expect the average age and family size of students to increase as they progress through school, the statistics show the exact opposite. The oldest undergraduate independent students are freshmen, with an average age of 26.8 years, and an average family size of 2.4 members. These averages decrease in each succeeding year, with fourth and fifth year students reporting an average age of 25.1 years and an average family size of 1.7. This is not a new pattern but one that has been in place for several years. It indicates that some students are switching from dependent to independent status as they progress through undergraduate school, and that those who are switching are younger and much more likely to be single than the typical independent student.

In terms of Pell grant eligibility, about 80 percent of the dependent student applicants appear to be eligible, according to ACT's estimated student aid index calculation. This is the same eligibility rate as was found in our sample population for 1982-83, and a 2-

percent increase from 1981-82. Based on the cost of attendance figures provided by institutions which use our services, 55 percent of the independent student applicants would demonstrate financial need, averaging about $4,600.

This concludes my prepared testimony. I would be happy to answer any questions.

Mr. SIMON. Thank you very much.

Dr. Cobral?

[Prepared statement of Dr. Dennis Cobral follows:]

PREPARED STATEMENT OF DR. DENNIS COBRAL, VICE PRESIDENT, NEW YORK STATE HIGHER EDUCATION SERVICES CORP.

The New York State Higher Education Services Corporation conducted a comprehensive survey of students attending postsecondary education in New York State in 1981-82. The purpose of the Survey was to collect information about how students were financing their educations; that is, how were family resources and financial aid combined to meet educational costs, what types of financial aid were used, and what were students attitudes about the a tripartite instrument, with information provided by students, registrars and financial aid officers. Full- and part-time students in all sectors and at all levels were represented. Non-recipients as well as recipients participated.

My testimony today is based on the major findings of this survey. These findings are the result of analysis of the data provided by institutional financial aid personnel for the sample members at their schools who were aid recipients of one or more financial aid programs, including student loans. Student comments and opinions, as well as ethnic data were collected from responses to the student questionnaire.

Aid recipients comprised 55 percent of the sample of 8,292 students. Full-time undergraduates were the largest users of financial aid, probably because of the availability to them of a greater number of programs. Over three-fourths of them used some form of aid in financing their higher educations and two-thirds of these recipients received aid from two or more programs. Full-time graduate students also had a high utilization rate; two-thirds of them used financial assistance, principally in the form of student loans. Part-time students had a considerably lower utilization rate (20 percent), reflecting the fact that these students find themselves more limited in their financial aid options; those attending less than half-time are ineligible for most programs.

Responses to the student questionnaire revealed the use of what might be considered a "non-traditional" form of aid. The use of what might be employer financial assistance for education was reported especially among part-time students.

Just how far did this financial aid go toward meeting educational costs, toward assuring access and equity in education? The Corporation's study showed that in the four major sectors (CUNY, SUNY, Independent, and Vocational), average financial aid covered little more than half (56-65 percent) of the average total educational costs for dependent full-time undergraduates. Financially independent undergraduates received more aid dollars—but in three sectors, these dollars met even less (40-47 percent) of the costs incurred by these students. Even in the relatively lower-cost State University system, average total aid covered only 63 percent of average total costs for both dependent and independent students.

Financially independent full-time undergraduates generally depended more heavily on need-based grants than did dependent recipients. Their lower incomes and higher costs made them eligible for larger grant awards, while dependent undergraduates received larger percentages of their aid from work, loans and institutional assistance.

Financially independent students are particularly vulnerable because of the financial burdens placed on them. They generally have low incomes; 88 percent of the financially independent full-time undergraduate recipients in our survey earned under $10,000 in 1981-82. They have to maintain a residence separate from their parents' and often have dependents of their own to support. Furthermore, they lack the backup parental support which is usually available to dependent students.

How then were these students able to continue their pursuit of higher education? A basic premise of a need-based financial aid system is the ability and willingness of the student and/or parents to contribute toward financing education. The expected family contribution is based on income, assets, family size, et cetera, and is a given in the packaging equation. Over one-fourth (27 percent) of the dependent full-time

undergraduate recipients in our survey had family incomes under $10,000. Fifty-five percent had combined parental and student incomes of less than $20,000. Their expected family contributions ranged on the average from $580 to $1,700. Expected family contributions averaged as high as $4,600 for higher income students.

Still, the combination of financial aid and family contribution did not adequately cover educational costs for two-thirds of the full-time undergraduate recipients in the sample. Certain categories of students were shown to be particularly vulnerable to this shortfall: the financially independent and low-income student. Because these student categories comprise large percentages of minority student enrollments, minority recipients are more likely to experience a gap between costs and resources than are white recipients. Indeed, our survey data indicated that 61 percent of white recipients experienced a shortfall as compared with 67 percent of black and 78 percent of Hispanic recipients. Thus, the amount of unmet need which was funded from student and parental resources was substantially greater for minority and low-income students.

Access to higher education is being denied to many because of uncertainty about program availability. The fear and uncertainty surrounding the annual eligibility criteria and funding for Federal programs may discourage students and families from considering higher education. Minority respondents to the Corporation survey were more likely to consider financial aid a necessity in order for them to continue their educations. This greater perceived dependence on financial aid among minorities could mean that they differentially believe their ability to continue in school is threatened whenever aid cuts are considered by lawmakers and reported in the media.

Minority aid recipients were more likely than whites to perceive financial aid as essential to their access to higher education. When asked whether student financial aid was necessary for attendance at their present school, nearly all (95 percent) of the minority aid recipients who responded said that it was. This compares with 79 percent of white respondents to that question. Furthermore, higher percentages of minority than white respondents were aid recipients and attended in lower-cost sectors. These answers are a strong indication that minorities perceived financial aid as an integral facilitator of their educaitons to a greater extent than did whites. Possible explanations are that minorities were more dependent on need-based aid and the smaller percentages of minority students received financial assistance from their parents.

Our survey asked students which of a number of options they might exercise if they could not meet their educational expenses. Among students who already had loans, minorities were more likely than whites to consider further indebtedness. Among respondents without loans, few (25 percent) indicated a willingness to begin borrowing. Minorities were less likely than whites to indicate they could ask their parents for help with their educational costs. Smaller percentages of minority students who were already working felt they could work more. This is not surprising, considering the responsibilities they had already undertaken: school, work, and in some cases, families.

Minority respondents to the survey, and particularly blacks, were closer to the financial borderline where they might be forced to downgrade their educational aspirations. Combined with their stronger perceptions of dependence on financial aid to stay in school, this means that any cuts or threats of cuts in financial aid program levels differentially jeopardize the access to and choice of a higher education for minority students.

The proportion of educational costs covered by financial aid is declining, with a precipitous impact on student access and choice. In New York, private sector undergraduate costs will average $9,500 this year and attendance at a four-year state operated college or university will cost over $5,000. The high degree of dependence of New York's students in financial aid reflects the higher costs, larger proportion of financially independent students and the lower income profile of the urban-based students being served through the State's "full opportunity" objective.

However, the lack of resources to meet increasing educational costs, exacerbated by a stained employment market, will likely drive more students, especially minorities, into short-term programs which focus on a single occupation. This will continue the trend which has already begun of increased enrollments in the proprietary sector at the cost of liberal arts colleges, a trend which could create a resegregation of higher education. An added danger is that shifts in technology could throw many out of jobs if they are not adaptable to changes through broader educational preparation.

Minorities, women, the older student and the part-time attendee are a growing league of non "traditional" students in our educational system. Tne needs of these groups need to be recognized and addressed by our financial aid systems.

I quote a student respondent to the survey:

"I consider myself incredibly lucky, and incredibly grateful for both the State and national grant system, which has, in the past two years, allowed me the miracle of the possibility of some kind of profession, when many women of my age, displaced by marital discord, just sink. And their kids along with them".

What we do for our students now will affect generations yet to come.

STATEMENT OF DR. DENNIS COBRAL, VICE PRESIDENT, NEW YORK STATE EDUCATIONAL SERVICES

Dr. COBRAL. Yes. Good morning, Mr. Simon. I appreciate the opportunity to testify before the committee this morning, and I would like to deviate from the written text that was submitted and just speak a little bit to some of the issues that interest you.

Mr. SIMON. Fine. We will enter your full written statement in the record.

Dr. COBRAL. Thank you.

I should also point out that the comments I am making this morning are drawn from a rather extensive study and that, indeed, I would like to, if you don't already have this study, submit that as really part of our testimony, because in there is a lot of the data that goes very beyond what I will be able to say this morning.

As you know, I represent the study that was done in New York State, so some of the figures or all of the figures I will speak about today are really related to that population. But I think, because of the nature of this survey, it could be generalizable across other parts of the country.

Back in 1981, it became apparent to us that the changes in financial aid were stepping up and there were proposed changes to be made and we felt there was a great need to find out what was out there so that policymakers could have better information to make their decisions around.

So, we did invite all of the postsecondary institutions in New York State to participate in a survey that would try to get student perceptions of how they financed their education. And we ended up with 308 schools accepting to participate in this survey and they represented about 800,000 students, which is about 80 percent of the total New York enrollment in postsecondary education, and we went out to 1 percent of that sample and our validity shows that the sample is a pretty solid sample.

So, I say that just to give you some perspective of what we're dealing with here. And the findings I speak about today are drawn primarily from an instrument that was filled out by financial aid officers, so it's real record data that we're dealing with here.

There are some instances where we're taking student perceptions from a student questionnaire that went along in the survey. There are three instruments, one for students, one for registrars, and one for financial aid officers. I will be dealing primarily with the financial aid officers' data.

And there is a sample there of about 8,700 students.

Now, you've asked that we provide profile information on family income levels, types of aid that students are seeking and so forth. I would like to address at least some of those. I cannot cover all of it

in the time allotted. But the study that I just mentioned does go in-depth in just about every area you're seeking for.

The thrust of my comments will be threefold. One, to try to reinforce the reality that financial aid is a complex and diverse enterprise. Two, that it is important to have good demographic information when trying to make decisions about financial aid, as you are doing today, and we really appreciate having this opportunity.

And the third thing is that there are classes of students, our survey seems to indicate, that are particularly vulnerable to certain things that could be done in financial aid.

And now if I may elaborate, let's start by looking at your interest in the degree to which students are dependent on aid to finance their education. Our data suggests that a large percent of students are highly dependent on aid, over 55 percent of our sample. They were aid recipients that were reported by the financial aid officers as being aid recipients.

Among these recipients the utilization rates and patterns varied by level of study, by sector, and by income in some very interesting ways. For example, if you look at the level of study and the class breakdowns, 75 percent of the full-time undergraduates were aid recipients. They represented by far the largest percentage of aid users, the full-time undergraduates. Sixty-five percent of the part-time undergraduates were aid recipients. But if you look at the—did I say part time? I meant full-time graduate students, if I did say part time, 65 percent. But only 21 percent of the part-time undergraduates received aid and 20 percent of the part-time graduates. So, there's a drastic drop there between full-time and part-time students. And this significantly lower utilization rate, we think, from the data, reflects the fact that these students have less aid options open to them.

For example, many of the part-time students who drop below half-time are not eligible for the programs. And I don't mean to speak one way or the other on the value of that particular phenomenon other than to say that it exists.

We also found that part-time undergraduate students tended to use single sources of aid. For example, whereas two-thirds of the full-time undergraduate students used aid from two or more programs, the 20 percent or so part timers in our sample used aid from single sources, roughly from Pell, half of them, and from GSL the other half, with a small percentage getting campus-based aid.

Now, what's more interesting, I think is in terms of dollar amounts used, Pell and GSL accounted for 89 percent of the part-time aid, but within that percentage GSL alone represented 70 percent of the aid being used by part-time students and 19 percent of the remainder came from Pell, and the other 11 percent from other sources, primarily campus-based aid.

So, we found that as an interesting characteristic of what the part timers were doing for their aid.

Among the full-time undergraduates, on the other hand, three programs, the TAP program, the tuition assistance program in New York State, the Pell program, Pell grant program, and the GSL program accounted for over 75 percent of the aid being used.

The tuition assistance program is really New York State's tuition assistance program. Grants are given as need-based grant for the New York residents. They're only for full-time students.

If we look at it by sector, and we do this in New York maybe more so than in other places, and I don't mean to try to put New York above others—please don't get me wrong there—but it's simply a phenomenon we deal with when speaking about financial aid in New York. There are three basic sectors. There is the city university system, the State university system, and the independent sector. And there is also a fourth sector, the vocational proprietary sector.

And if you look at utilization rates across these sectors, they are pretty much similar across three of the sectors. OK? SUNY, the State system, the city system, and the independent sector. The vocational sector had a higher utilization rate. They were up at about 82 percent. And this may be the result of the phenomenal growth that has been occurring in that area over the last couple of years.

The utilization of individual aid programs also varied by sector and here more widely. And I'll give you a quick example. For example, in the senior colleges in the city system there was a Pell utilization of 60 percent. In the SUNY 4-year system there was a 34 percent Pell utilization rate. In the independent sector, 32 percent. And in the vocational sector the degree-granting vocational schools, 57 percent. So, you can see that it varies.

In GSL the city system had a 19 percent utilization rate. The State system, 56 percent. And independents 55, and the vocational sector 48. And in the State program, the TAP program, again, the city system 67 percent, the State system, 41, the independent sector, 38, and the vocational degree-granting, 66. So, what I'm showing by saying those numbers is simply that there is—it's a very distinct variation among how the programs are used within each sector, with the public sector, urban, schools, skewed more toward a need-based grant utilization than the independent and State-operated schools.

Now, the overlap of the three major programs, TAP, Pell, and GSL also varied significantly by sector. Pretty much along the same lines. With the city-based system more in the TAP and Pell area.

I should mention also that the CUNY, the city university system, part-time undergraduates, use Pell more extensively than the SUNY and independent 4-year part-time undergraduates. So, the part-time people also showed a little bit of a difference in terms of the grand utilization.

Now, these findings suggest that at least in New York State differences in aid patterns are, in all likelihood, the result of differences in the cost of attendance and the profile of financial strength, student and family financial strength, attending each type of institution. And these, of course, can be correlated to other demographic features and some of this I will get to later in my testimony.

If we look at the income variable, supporting my last point about differences in the profile of financial strength is the fact that the average, the mean, incomes were found to vary somewhat also among the sectors. For example, among dependent full-time under-

graduates, the mean average income at CUNY was from $10,000 to $11,000, at SUNY from $18,000 to $21,500, and in the independent sector from $18,000 to $23,400. So, again, you see a little bit of an upgrading there.

We should note here that when you look at the financially independent student, the full-time undergraduate who is financial independent, and you look at the sectors again, there is some variation. But the main variation is, again, the difference between the financially dependent and financially independent student. Here you see that at CUNY the average income is from $3,400 to $5,000, as opposed to $10,000 to $11,000 for the full-time independent student.

In SUNY it's $3,700 to $6,000 and in the independent sector, $3,800 to $5,900. And the important point here, I think, is that while the financially independent student receives more aid dollars, according to our data, than the full-time undergraduate dependent students, they had higher average costs. Therefore, that added aid dollar did not really make that much of a difference in terms of comparisons between the dependent and independent students.

Roughly 40 to 47 percent of cost was met for the financially independent student, whereas 55 to 65 percent was met for the dependent student. At least across three of the sectors. One sector, the State university system, had a 63 percent aid-to-cost ratio for the financially independent student, we believe that that may be simply because the nature of the financially independent student attending that particular sector may be different than the ones attending the other sectors. For example, they may not be as old or may not be as frequently married as the city university independent student.

But basically what I'm saying is that the financially independent student's aid met less of their cost obligation than the financially dependent.

Also, we found that the financially independent student who is a full-time undergraduate generally depended more on need-based grants than did their dependent counterparts. And this, again, might be a reflection of the fact that their incomes are a lot lower. Eighty-eight percent of our sample of financially independent full-time undergraduates had incomes under $10,000 and they also had higher expenses, primarily because they had to maintain separate residences; many of them were married and things of that sort.

On the full-time undergraduate dependent side of the picture, only 25 percent had family incomes below $10,000. Although 55 percent of them did have incomes under $20,000.

Now, if I can switch for a second to another point that you're interested in, and that is the profiles along ethnic lines, I'd like to share a few of the findings with you that we found on the FAO and the student questionnaire. We found that minority aid recipients were more likely to consider aid as an essential element of access to higher education. In other words, without it they felt they would not be able to get into higher education.

Ninety-five percent, nearly all of the sample of minority aid recipients, said financial aid was necessary for attendance. This com-

pares to about 75 percent of the nonminority population that responded.

We also found that a higher percentage of minority respondents attended the lower cost schools than their white counterparts. That was a clear signal in the responses we got.

Furthermore, when we asked what they would do if they couldn't meet their educational expenses, they provided some interesting answers, I think. I'd like to share a couple of them with you.

Among those who already had loans, the minorities indicated a greater likelihood to incur further indebtedness than their white colleagues.

Among respondents without loans, however, only 25 percent indicated a willingness to begin borrowing.

Among the working respondents, a smaller percentage of minority students indicated they could work to offset the additional cost requirements. And they were quite clear in that regard. Minority respondents, particularly blacks, indicated that they were closer to the financial borderline where they might be forced to downgrade their educational aspirations if educational expenses could not be met. They, again, said that there really were not that many options open for them to turn to.

Another point that we could look at here that might be helpful to you is if we take a subsample of the large sample and focus only on those who gave us ethnicity data, and this is roughly about 2,000 of the respondents, we can say, for example, that for those who had GSL's only, the average income was $33,400 and 90 percent of these recipients were Caucasian and only 12-percent minority.

In the TAP and/or Pell programs for students who are receiving TAP and/or Pell, the average income was $12,479 and 55 percent of the recipients were Caucasian and 45 percent minority.

For those having TAP, Pell, and GSL, the average income came out to about $17,000, $17,062, and 70 percent of that population were Caucasian and 26 percent minority.

For those who were not involved in the major programs the average income was about $31,000 and 93 percent were Caucasian and 7 percent minority.

A final point revolving around this type of variable in an indirect way that I'd like to mention, because it struck us as an interesting finding, something that we did not know when we did this survey, existed, is that among the campus-based aid programs, SEOG, CWS, and NDSL, we found an interesting variation along the income line for full-time dependent undergraduate students. For example, in SEOG in the zero to $10,000 income range the average award was $515. From $10,000 to $20,000 it was $452. From $20,000 to $30,000, $577, and from $30,000 and up it was $667.

For college work-study the averages were from zero to $10,000, $702, from $10,000 to $20,000, $757, from $20,000 to $30,000, $894, and $30,000 and over, $986.

For NDSL $704, $802, $868, and $757.

And the interesting part about this is that the campus-based aids are supposedly for the needier students, and yet you see awards skewed upward. And the implications can be drawn however you

wish. But there is definitely a need for the campus-based programs. But there may be a question about how they are being put to use.

OK. So, I think I will stop here because of the time, but basically I would like to end by saying that we found there appears to be certain groups of students who are particularly vulnerable to any changes that may happen in financial aid. The sample seems to indicate that these groups would be the financially independent students, because of their higher costs, lower incomes, and less options available at this point. Women also seem to be a little more vulnerable than the general population. Part-time students, of which there are a growing number. They seem also to be vulnerable, because they don't have access to all of the programs. And minorities are also vulnerable, as I have indicated. They tend to be low-income, financially independent students, and they also tend to perceive aid as a very critical element of their educational aspirations. And this perceived dependence could mean that they differentially believe their ability to continue in higher education could be threatened by aid cutbacks. And we experienced some of that in the survey but also indirectly from people who were calling the agency and were frightened when we were going through that period of change, because of the things they were reading in the media about what was happening. They just weren't sure.

That points up my second summary point, and that is I think the need for information is important not only for the policymakers but also for the general public, that when changes are made that there be clear information given to the constituents, because uncertainty about the aid availability program, funding, criteria for eligibility, seems to discourage participation.

Another point I'd like to close on is that since the financially independent student and low-income student tend to comprise more minority populations, they are likely to experience a greater gap in any need that may exist in aid recipients. And I think I will close there because I am running beyond my time. So, I would be happy to take any questions if there are any.

Mr. SIMON. I thank both of you very much. I was interested in your figures on College Work Study, SEOG, and NDSL. Do you, by any chance, have any similar figures on both Pell and GSL?

Dr. COBRAL. Yes; I will get that for you if I can find that for the Chair.

OK, for Pell, for the zero to $10,000 income range, it was $1,228. This is, again, for dependent full-time undergraduates. For $10,000 to $20,000 it was $1,003. For $20,000 to $30,000, $676. And for $30,000 and over, $451.

For GSL, which you would expect an opposite skew, you'd have from the zero to $10,000 category, $1,958, $10,000 to $20,000, $2,021, $20,000 $30,000, $2,114 and $30,000 and over, $2,257.

And if I may also give you the TAP figures, they ran from $10,000. $3,400, $939, $630, and $453. So they were skewed downward.

Mr. SIMON. Those are very interesting figures because they indicate that sometimes programs don't end up doing what they're designed to do.

The other interesting thing in your statement—I'm just going to read it here: "Our survey asked students which of a number of op-

tions they might exercise if they could not meet their educational expenses. Among respondents without loans, few—25 percent—indicated a willingness to begin borrowing." So there is a real reluctance on the part of a great many people to begin borrowing in order to receive the education. I'm adding something here to see whether this is sound or not.

If we increase reliance on borrowing or student assistance, in effect we are going to be eliminating some students from the educational experience. Is that an accurate statement?

Dr. COBRAL. I would tend to agree with that, simply because we also were curious about that response and we went out and asked the particular area that this response was coming from why that might be happening, and with a greater reliance maybe change that. And these are primarily urban-based individuals who would prefer, for whatever reasons, income status, never having borrowed before and not being able to borrow, a lot of them are low-income minority students who really have never dealt with banks or loans before, and the clear message was no, they will not change, and even counseling may not change that because they will try to find other ways to come up with the other resources that are needed, either by working or what I found interesting, changing their lifestyle, skipping lunches, walking instead of using a commuter—really cutting back on their budget, and the presidents of the colleges that we spoke to were very, very concerned about this because it did have an adverse effect on their performance in the classroom. A lot of them were getting to school tired, they were hungry, and these things created some problems.

But there seemed to be a clear signal that there would not be much change in that, that unwillingness would remain among certain populations.

Mr. SIMON. Mr. Heffron, you serve a different geographical region.

Mr HEFFRON. Yes.

Mr. SIMON. Do the figures that he cites surprise you at all?

Mr. HEFFRON. No, I don't believe so. From no specific data but my experience as a financial aid administrator, I would not be surprised to see the campus-based program awards get larger at higher incomes, simply because you tend to concentrate grant money on lower incomes and award lower self-help work and loan amounts to those students. So, they don't surprise me.

Mr. SIMON. I should know this. It's kind of a fundamental question. Are there any kinds of structural ties, between the ACT and the SAT, and this geographical division you talk about, is this an accident of history, or how did this evolve?

Mr. HEFFRON. The ACT is a direct competitor of the college board, and the college board has more business in the Northeast and the California coast. ACT has more business in the middle of the country. That is just a matter of how it worked out.

Mr. SIMON. Mr. Gunderson.

Mr. GUNDERSON. Thank you, Mr. Chairman, and I apologize for not being here during all the testimony, but I have read both of your statements.

One of the questions I would be interested in as we talk about the whole reauthorization process of student financial aid pro-

grams, is the private sector, and neither of you have mentioned here any statistics on scholarships. What is available in either school or private scholarships? Is the trend increasing, decreasing? What percentage of assistance does this become in the whole financial aid package?

Mr. HEFFRON. We do not have data on what students actually received. We're involved in the front end of the application process and don't get feedback from schools as to what students actually receive. So, I would not have information on that.

Mr. GUNDERSON. You could not respond?

Dr. COBRAL. We really have access to more of the Government sponsored programs than the campus-based private scholarship sources. So, our data would be very weak in that area.

Mr. GUNDERSON. It would seem to me in terms of determining where we go, we not only have to reflect on the impact of what the Federal Government and State government assistance has been, increasing, decreasing, what effect that has had, we have to look at the total picture, the total dollars out there, and as the private contributions through scholarships or the academic contributions through foundations, has this increased, decreased, et cetera, because if you add the two you could have a double whammy. We could have a neutralizing effect. I don't know. And I don't think we got any of that in our testimony yesterday either. So, I would be interested in that question.

Another thing that was brought out yesterday in our hearings and was brought out again today is this whole issue of the fact that because of the uncertainty of student financial aid, in essence, access is being denied and decisions are being made earlier. I don't disagree with that but I must admit I'm curious as to how that's determined. How do you determine that?

Yesterday the private schools said that they were clearly able to substantiate that people who were not going to private schools because of the uncertainty of the financial aid. Now you're, in essence, saying in your testimony that they don't go to any school. How do you determine that?

Dr. COBRAL. Well, I guess one measure would be the drop in the loan volumes, for example, that occurred when the new needs analysis requirement was put on for the over $30,000 students. There was a significant drop in the volume for that year and that drop is disappearing this year, from all indications, and from what we could find out and determine in talking to students and lenders and others, it basically was because people felt the aid was not there any more.

There was a misunderstanding about the needs analysis requirement. They really felt that they just were no longer eligible when, indeed, a lot of them could still apply and receive aid. Now that perception has been changed and they are getting back in.

So, that seems to be an indication that the quality of information that was going out affected peoples' perceptions about going to school, and a lot of them we were also told because of the uncertainty surrounding the many proposals that were coming up about changes in the financial aid programs, made people fear that the future may not hold what they could hope to have when they got to that point, so rather than commit themselves to a higher-cost

education, let's say, they refrained and went elsewhere. They didn't want to take that risk of getting in debt, because all of a sudden it might disappear, some new regulation might come along that would change it.

And there was just that atmosphere of uncertainty there. And it is around those types of perceptions that we base our—at least in our area—our feelings about that.

Mr. GUNDERSON. Any comments or not?

Mr. HEFFRON. Yes. I think part of the problem is that there is no certainty of stability in the future and it's very difficult for a financial aid administrator, or a high school counselor, to talk to a freshman or sophomore in high school and say, "This is going to be available by the time you get there." And many people select themselves out of the process as a result.

We have reports from schools who have required all their guaranteed loan applicants to apply for a Pell grant, and their money, the money they receive from the Pell grant, has gone up $1 million this year, because these people just figured they were not eligible so they weren't going to bother to apply, because the institutions forced them to go through this extra bureaucracy to do that, they have received a great deal more money.

But there are a lot of misperceptions about who gets aid, how much aid you get, and what's available, and it's very difficult to provide information early enough so that people can plan and get several shots at giving the right information.

Mr. GUNDERSON. One final question and I don't want to abuse my committee time. Both of you are dealing in essence with statistics. We are dealing with the reauthorization and we're trying to use your statistical analysis to project down the road. Would I be totally incorrect if I said that 10 years from now, if we were to describe the average makeup of the student body at an institution of higher education, that we probably would have a decreased number of full-time undergraduate students, that we probably would have an increase in the nontraditional student, whether it be an older student, whether it be a part-time student, et cetera, with the whole changing demographics in society, lower number of students in our primary and secondary schools today, and the need for retraining, et cetera?

If that's the case, how ought we respond to that in terms of our student financial aid reauthorization? I'm asking two questions. Do you agree with what I said? And if you do, how ought we to respond?

Dr. COBRAL. OK, if I may start. I tend to agree with what you say. There will, I think, be certainly some demographic changes among the population and I think the way you characterized it would probably be what will happen.

However, I would caution that we be careful in projecting too far because some of the changes that are occurring now may be direct responses to current phenomena and that could very easily change. For example, students going into the proprietary sector. Part of that phenomenon may relate to the fact that the community colleges have not yet changed their curricula enough to meet the needs of the students who really would want to stay at that level of higher education.

As they change their services, that may, again, make students switch, somehow, in their aspirations. And also something that ties back to your earlier question and Mr. Heffron's response about stability, another effect of the phenomenon we are discussing is that there is an impact when eligibility requirements come out late, for example, on the delivery system and aid checks are not being disseminated on time, and this we know from some of the survey data and followup interviews we've had with some of the people, has a direct impact on what they do.

I can remember one woman telling me very clearly that she was an older woman with two children who was in school, and she wanted to become a registered nurse and was really sincere in doing that. But she couldn't get her checks on time for some glitch in the system, generally, and she said, "I have to go and become an LPN. I cannot—I just can't beat it. I can't meet my expenses." So, she immediately changed career. So, that type of impact is there too.

But getting back to your current question, I tend to agree that there will be a change, but I would caution projecting the change too definitely at this point, because of the immediate things that are going on. There is a lot of change going on right now that I think will stabilize and maybe change again in the next 2 to 5 years. So, it would be hard to project.

Mr. HEFFRON. Yes, I would agree with the trends that you have spoken of.

I think that the programs that are currently in place are capable of serving the needs of just about any type of student, if they know about them and if we get an approrpiate sorting of financial responsibility between the family and government sources. But I think the capability is there with our current programs to serve just about any type of student.

Mr. GUNDERSON. Thank you. Thank you, Mr. Chairman.

Mr. SIMON. Mr. Owens.

Mr. OWENS. I'm particularly interested in the New York area. Our Education Services Corporation study. Just one big question. When you talked about the part-time student, the independent student, the minority student, and particularly the problems of New York City students, were you talking about—is it likely that those groups, those designations, overlap, and there's one basic disadvantaged group?

Dr. COBRAL. Yes. The data suggests that——

Mr. OWENS. Most of the part-time students are minorities and most of the independent students are minorities?

Dr. COBRAL. Yes.

Mr. OWENS. And a large proportion of them live in New York City?

Dr. COBRAL. Yes; there seems to be that reflection in the data. Yes. sir.

There are high correlations between the financially independent student, part-time student, being a minority student. And they tend to be concentrated in the urban area. For example, if you compare the financially independent students in the city system as opposed to the SUNY system, you will find that their expenses are a lot higher than the SUNY students, and that's simply because

you will find that the urban student tends to be older, tends to be more minority, tends to have higher expenses because of families and other expenses.

So, that definitely is a factor and I think you're right in pointing out that there is an overlap, that they basically comprise one group of recipients.

Mr. OWENS. I came in a little late. Will your detailed statistics be available to the committee?

Dr. COBRAL. Yes. All the statistics here are contained in the major study. They're drawn from the major report. Not in my testimony, necessarily. I went a little beyond that because of the time element. But certainly this.

Mr. OWENS. That report is available?

Dr. COBRAL. Yes, sir. I gave you one today.

Mr. OWENS. Thank you.

Dr. COBRAL. I think we have sent some out. But I can certainly give you some.

Mr. OWENS. Thank you.

Mr. SIMON. Mr. Kogovsek.

Mr. KOGOVSEK. Thank you, Mr. Chairman.

Mr. Cobral, or Dr. Cobral, am I pronouncing that right, Cobral?

Dr. COBRAL. Yes, that's correct.

Mr. KOGOVSEK. When you have a name like Kogovsek, you check. [Laughter.]

Sometimes, Mr. Chairman, it's so large it won't even fit into the slot. [Laughter.]

But anyway, be that as it may, I appreciate your remarks. When you talk about that while the statistics that both of you gentlemen are talking about this morning are relevant, right now, that possibly we shouldn't put too much stock into them as to where we might be a year from now, 2 years from now, or 5 years from now. Because I would hope, Mr. Chairman, that some of the positive things that are going to be done in primary and secondary education, and secondary education in particular in the next couple of years, because of the focus, the renewed focus, that's been put on by the President and Congress and so on, is going to have a very positive effect on what we're doing in postsecondary education, even 2 years from now or 3 years from now, or 4 years from now.

So, I appreciate and I just wanted to comment on the fact that while the statistics are going to help us as to what we should be doing as far as our legislation is concerned, that it might be an entirely different situation 2 years from now, and hopefully that some of the students coming out of high school are going to have an entirely different approach and a renewed enthusiasm about what they should be doing.

I was also interested in an area that you touched on as far as women are concerned, and how they figure into your overall picture. As I have questioned in my district, in Colorado, the different areas, different institutions of higher education, we are finding that in the past couple of years that we have fewer women applying for aid and actually attending school. Can you expand on that at all as far as your studies are concerned?

Dr. COBRAL. No; I'm afraid not. I'm not sure what that would mean, and would even hesitate to venture a guess as to why that

may be happening, because we seem to see indications that the womens' participation rates are still considerably higher in our area than has been for the last 10 years. There's maybe some stability creeping into the picture, but there's still growth there. And it's primarily, I think, related to the fact that the part-time enrollment is rising and many of the part-timers tend to be females who are, for one reason or another, needing a skill and having to go back to school to get that skill because of the higher demands for skills in our society.

So, I think the two may be tied together.

If I may comment just briefly on your point about the statistics, I think if there's a thought I'd like to leave with the committee about this, I agree with you that statistics are relevant today and may not be relevant tomorrow.

But I think the point I'd like to make is that I think it's important that policymakers do seek this type of information as time goes on, that because of the complexity involved in financial aid and the diversity of the populations and the growing complexity and diversity, I think it's important that periodically—and it's not because I happen to be a person who does studies. It's simply because I believe that that's becoming more important as a tool for policymakers to take that into consideration.

Mr. KOGOVSEK. I appreciate that.

If you had to leave us, Mr. Heffron, with a thought after your studies are done, what would it be?

Mr. HEFFRON. I think the key to opening up opportunities for education for the disadvantaged or however you want to classify that is to help them get through the bureaucracy.

Essentially the aid process will fairly accurately determine how much they need and fairly accurately get that to them, if they can get into it in the first place. And my own experience at the University of Colorado, we worked very closely with the talent search programs and the thing they did for those students that wasn't done for other students was they got a clean application to our office, which was the best possible thing that could happen to them. The system would handle them after that.

But they got what they needed, when they needed it, it was correct, and it was on time, and after that it was not a problem.

Mr. KOGOVSEK. One of the problems we're having at CU right now, as you know, is, and I think the whole Colorado Legislature is getting a little excited and concerned about the fact, that the student population is not as high as it should be, or at least they feel that, and they think that probably out of State tuition costs have something to do with that. It's an entirely unrelated subject, and yet maybe it's not.

As you looked at your studies and so on, out-of-State tuition costs, I assume, have increased nationwide, because every State is trying to make up for lost revenue and trying to figure out how they're going to run their institutions because of Federal budget cuts and so on. Do you see this increasing in the future or is there going to be a leveling off?

Mr. HEFFRON. I think it probably will increase in the future. There is a definite trend in that direction. I attended CU as an out-of-State student when the tuition was $700 a year for an out-of-

State student. I'm not sure what it is now, but it's substantially more than that.

But we hear of more and more inclination to go to school closer to home because it is less expensive.

Mr. KOGOVSEK. Thank you, Mr. Chairman.

Mr. SIMON. If I may take the liberty of following through on a question here, you mentioned for these talented students they were given help with their applications and then you say they, whoever "they" are, helped them.

Mr. HEFFRON. I was speaking of the talent search programs to deal with low income, disadvantaged students.

Mr. SIMON. OK.

Mr. HEFFRON. Essentially the service the program provided was they discovered what each institution required in the financial aid application process, they made sure the student did it, and they told the institution it had been done.

Mr. SIMON. How many students do you think are falling through the cracks because they're not given help in filling applications out properly?

Mr. HEFFRON. I'd hate to hazard a statistic but I think there are probably a fair number who self-select themselves out of the process, because they don't have adequate information.

The people who tend to attend high school nights on financial aid and other types of services like that, tend to be the ones who know how to get through the system. You see more folks in coats and ties at those than you will see in the normal population, and it's very difficult to get the information out. And the lack of stability, I think, hurts to a great deal because you cannot start working with them early to make going to college a financial expectation rather than a surprise.

Mr. SIMON. So the lack of stability and the complexity of the whole process contribute.

Mr. HEFFRON. Yes. To me the financial aid application process looks very simple because I look at it every day. I am sure to someone who has no idea from the beginning what is involved it would look complex.

Dr. COBRAL. Mr. Chairman.

Mr. SIMON. Yes.

Dr. COBRAL. If I may, I'd like to really reinforce that point. Years ago I worked as a special student services counseler in the TRIO program at the University of Hawaii and I know from firsthand experience the value of providing the support systems that the disadvantaged students needed. I watched many students graduate 4 years hence that I know would not have graduated except for the fact that they had been given the help along the way in a very clearcut fashion, and one of the biggest problems was the financial aid aspect of it, especially with the families, getting the families to understand what this was about. They had no idea what was going on. Open admissions had just come into the picture and it was very, very important to have that and I agree with Mr. Heffron that the complexity often intimidates people and discourages many, I'm sure.

I have seen it firsthand. So, that is another point that I think is very important to consider.

Mr. SIMON. Mr. Penny.

Mr. PENNY. I have no questions.

Mr. SIMON. We thank you very, very much for your testimony and for your contribution here today. You've helped us.

Mr. HEFFRON. Thank you.

Mr. SIMON. The subcommittee stands adjourned.

[Whereupon, at 11:07 a.m., October 20, 1983, the subcommittee recessed, subject to the call of the Chair.]

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